

Declaration Of Estimated Income Tax For Estates And Trusts

GENERAL INSTRUCTIONS

1. PURPOSE OF DECLARATION — This declaration provides a basis for currently paying the income tax of estates and trusts. This form is to be used by estates and trusts required to file Form N-40 or trusts required to file Form N-70NP, if the estate or trust expects a tax liability of \$500 or more for the taxable year.

2. ESTATES AND TRUSTS WHICH MUST MAKE A DECLARATION — A declaration of estimated tax must be made by every estate or trust unless excused from filing under section 235-97(a)(6), HRS, which provides that a declaration of estimated tax and the payment of estimated tax are not required if the tax liability of an estate or trust is less than \$500 and can expect its withholding and tax credits to be less than the smaller of:

1. 90% of the tax shown on the 1998 tax return; or
2. 100% of the tax shown on the 1997 tax return (110% of that amount if the estate's or trust's adjusted gross income (AGI) on that return is more than \$150,000, and less than $\frac{2}{3}$ of gross income for 1997 or 1998 is from farming or fishing)

However, if a return was not filed for 1997 or that return did not cover a full 12 months, item 2 does not apply. Estates, and certain trusts (see federal Form 1041-ES), are only required to make estimated tax payments for any tax year ending 2 or more years after the decedent's death. In addition to the declaration, an estate or trust must file an annual income tax return after the close of its taxable year. At that time, the balance of tax due, if any, over the amount paid as estimated tax must be paid in a single payment with the tax return.

3. WHEN AND WHERE TO FILE DECLARATION AND PAY ESTIMATED TAXES — The payment vouchers that the estate or trust files serve as its declaration of estimated income tax. The declaration of estimated tax for an estate or trust using a calendar tax year must be filed on or before April 20, following the close of the preceding tax year. An estate or trust using a fiscal (not calendar) tax year must file its declaration by the 20th day of the fourth month following the close of the preceding tax year.

Payment of the estimated tax due may be made in full at the time the declaration is made or may be paid in four equal amounts which are due on April 20, June 20, September 20, and January 20, for calendar year taxpayers and on the 20th days of the fourth, sixth, ninth, and thirteenth months following the close of the preceding tax year for fiscal year taxpayers. If at least two-thirds of gross income for 1997 or 1998 is from farming or fishing, only one estimated payment of at least two-thirds of the tax due is required to be paid by January 20, 1999. If any due date falls on a Saturday, Sunday, or legal holiday, use the next regular work day. A check or money order, drawn on a U. S. bank in U.S. funds, in payment of the tax should be made payable to the Hawaii State Tax Collector. Include the federal employer's I. D. (FEIN) number of the estate or trust and the notation "1998 Form N-5" on the check or money order.

In some cases, such as a change in income, it may be necessary to file a declaration after April 20th.

If the requirement is met after:

the filing date is:

- April 1, and before June 2,
- June 1, and before September 2
- September 1

June 20
September 20
January 20

The declaration and payments must be filed with the taxation district office in which the estate or trust expects to file its income tax return. The addresses of the district offices are shown below.

4. AMENDED DECLARATIONS — In the making of a declaration, an estate or trust must take into account the then existing facts and circumstances as well as those reasonably anticipated relating to prospective gross income and allowable deductions for the taxable year. An amended or revised declaration may be made in any case in which the estate or trust estimates that its gross income and deductions will materially change the estimated tax reported on an earlier declaration. Make the amendment on the next quarterly payment date, and pay the estimated tax or amount remaining unpaid in equal installments on that and the succeeding quarterly payment dates.

5. PENALTY — In the case of any underpayment of estimated tax, there may be added to the tax, an amount determined at the rate of $\frac{2}{3}$ of 1% a month, or fraction of a month, on the amount of tax underpaid as provided under section 235-97(f), HRS. Willful failure to make a required declaration of estimated tax is an offense punishable as provided by section 231-35, HRS. *The penalty for the underpayment of estimated taxes as provided under section 235-97(f), HRS, will be enforced. See Form N-210, Underpayment of Estimated Tax by Individuals and Fiduciaries, for more information.*

ESTIMATED TAX COMPUTATION SCHEDULE

1. Enter the total expected 1998 taxable income of the fiduciary (Form N-40) or the expected 1998 unrelated business taxable income of the trust (Form N-70NP).....	1		
2. Net capital gain taxable to the estate or trust. If this line is zero, go to line 9.....	2		
3. Difference — line 1 minus line 2.....	3		
4. Enter the greater of line 3 or \$3,500.....	4		
5. Tax on amount on line 4. If line 4 is \$3,500, enter \$130.00. See Tax Rate Schedule below.....	5		
6. Difference — line 1 minus line 4.....	6		
7. Multiply the amount on line 6 by 7.25%...	7		
8. Tax — add lines 5 and 7.....	8		
9. Tax on the amount on line 1.....	9		
10. Enter the smaller of line 8 or line 9.....	10		
11. Estimated available tax credits.....	11		
12. Estimated tax due — line 10 minus line 11.....	12		
13. If the first required payment voucher is due April 20, 1998, enter 1/4 of the amount on line 12 here and on line 2 of the payment voucher.....	13		

NOTE: If a declaration is not required at this time, it may be necessary to file one at a later date. See General Instructions item 3.

1998 TAX RATE SCHEDULE FOR ESTATES AND TRUSTS

If the taxable income is:

Not over \$1,500	2% of taxable income
Over \$1,500 but not over \$2,500	\$30.00 plus 4% of excess over \$1,500
Over \$2,500 but not over \$3,500	\$70.00 plus 6% of excess over \$2,500
Over \$3,500 but not over \$5,500	\$130.00 plus 7.25% of excess over \$3,500
Over \$5,500 but not over \$10,500	\$275.00 plus 8% of excess over \$5,500
Over \$10,500 but not over \$15,500	\$675.00 plus 8.75% of excess over \$10,500
Over \$15,500 but not over \$20,500	\$1,112.50 plus 9.5% of excess over \$15,500
Over \$20,500	\$1,587.50 plus 10% of excess over \$20,500

The tax shall be:

Oahu District Office
P.O. Box 1530
Honolulu, HI 96806-1530
(830 Punchbowl Street)

Maui District Office
P.O. Box 913
Wailuku, HI 96793-0913
(54 High Street)

Hawaii District Office
P.O. Box 1377
Hilo, HI 96721-1377
(75 Aupuni Street)

Kauai District Office
P.O. Box 1688
Lihue, HI 96766-5688
(3060 Iiwa Street)

1998

DO NOT WRITE OR STAPLE IN THIS SPACE

Form N-5
(REV. 1997)STATE OF HAWAII — DEPARTMENT OF TAXATION
ESTIMATED INCOME TAX FOR
ESTATES AND TRUSTS

VOUCHER 2 THIS VOUCHER IS DUE ON OR BEFORE THE 20th DAY OF THE 6th MONTH OF THE TAXABLE YEAR 1. Estimated Tax for the year ending ● _____ (Month & Year) 2. Amount of this installment \$ 3. Amount of any unused overpayment credit to be applied \$ 4. Amount of this payment. (Line 2 minus line 3.) .. ● \$	PRINT OR TYPE	<div style="border: 1px solid black; padding: 2px;"> <div style="display: flex; justify-content: space-between;"> LBL UNP OO8 </div> </div> ● _____ Federal Employer I.D. No. _____ Hawaii General Excise No. Name of Estate or Trust ● _____ C/O ● _____ Address ● _____ City, State, and ZIP Code ● _____
MAIL THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO "HAWAII STATE TAX COLLECTOR." Write your Federal Employer I.D. Number and "1998 N-5" on your check or money order.		
<input type="checkbox"/> Check box if address changed and make corrections above.		

See Instructions on back.**Form N-5**

1998

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Form N-5
(REV. 1997)STATE OF HAWAII — DEPARTMENT OF TAXATION
ESTIMATED INCOME TAX FOR
ESTATES AND TRUSTS

VOUCHER 1 THIS VOUCHER IS DUE ON OR BEFORE THE 20th DAY OF THE 4th MONTH OF THE TAXABLE YEAR 1. Estimated Tax for the year ending ● _____ (Month & Year) 2. Amount of this installment \$ 3. Amount of any unused overpayment credit to be applied \$ 4. Amount of this payment. (Line 2 minus line 3.) .. ● \$	PRINT OR TYPE	<div style="border: 1px solid black; padding: 2px;"> <div style="display: flex; justify-content: space-between;"> LBL UNP OO8 </div> </div> ● _____ Federal Employer I.D. No. _____ Hawaii General Excise No. Name of Estate or Trust ● _____ C/O ● _____ Address ● _____ City, State, and ZIP Code ● _____
MAIL THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO "HAWAII STATE TAX COLLECTOR." Write your Federal Employer I.D. Number and "1998 N-5" on your check or money order.		
<input type="checkbox"/> Check box if address changed and make corrections above.		

See Instructions on back.**Form N-5**

How to Use the Payment Voucher

1. Enter the name, address, federal employer's identification number (FEIN), the Hawaii general excise number and the month and year of the end of the tax year of the estate or trust.
2. Enter the amount shown on line 13 of the Estimated Tax Computation Schedule on line 2 of the payment voucher.
3. If the estate or trust applied an overpayment of tax on its 1997 Hawaii income tax return to its estimated tax for 1998, all or part of the overpayment may be applied to any voucher. Enter on line 3 the amount to be applied to the voucher being used.
4. Subtract line 3 from line 2 and enter the amount of the payment on line 4. If a declaration or an amended declaration is being filed, mail it to the Hawaii Department of Taxation even though line 4 is zero. File the remaining vouchers only when line 4 is more than zero.
5. If an amended estimate is made, complete lines 2 through 4 of the voucher by inserting the amended amounts where applicable.
6. Attach to the voucher a check or money order made payable to the Hawaii State Tax Collector in payment of the tax. Include the federal employer's I. D. (FEIN) number of the estate or trust and the notation "1998 Form N-5" on the check or money order. Do not send cash through the mail.
7. Detach the voucher at the perforation and mail with the required payment to the appropriate address shown below.

Oahu District Office
P.O. Box 1530
Honolulu, HI 96806-1530
(830 Punchbowl Street)

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Wailuku, HI 96793-0913
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Form N-5
(REV. 1997)

STATE OF HAWAII — DEPARTMENT OF TAXATION

ESTIMATED INCOME TAX FOR ESTATES AND TRUSTS

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VOUCHER 4 THIS VOUCHER IS DUE ON OR BEFORE THE 20th DAY OF THE FIRST MONTH FOLLOWING THE TAXABLE YEAR		PRINT OR TYPE	Federal Employer I.D. No.		
1. Estimated Tax for the year ending (Month & Year)			Hawaii General Excise No.		
2. Amount of this installment.....	\$		Name of Estate or Trust		
3. Amount of any unused overpayment credit to be applied	\$		C/O		
4. Amount of this payment. (Line 2 minus line 3.) ..	\$		Address		
MAIL THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO "HAWAII STATE TAX COLLECTOR." Write your Federal Employer I.D. Number and "1998 N-5" on your check or money order.			City, State, and ZIP Code		
			Check box if address changed and make corrections above.		

See Instructions on back.

Form N-5**Form N-5**
(REV. 1997)

STATE OF HAWAII — DEPARTMENT OF TAXATION

ESTIMATED INCOME TAX FOR ESTATES AND TRUSTS

		LBL	UNP	OO8	
VOUCHER 3 THIS VOUCHER IS DUE ON OR BEFORE THE 20th DAY OF THE 9th MONTH OF THE TAXABLE YEAR		PRINT OR TYPE	Federal Employer I.D. No.		
1. Estimated Tax for the year ending (Month & Year)			Hawaii General Excise No.		
2. Amount of this installment.....	\$		Name of Estate or Trust		
3. Amount of any unused overpayment credit to be applied	\$		C/O		
4. Amount of this payment. (Line 2 minus line 3.) ..	\$		Address		
			City, State, and ZIP Code		
MAIL THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO "HAWAII STATE TAX COLLECTOR." Write your Federal Employer I.D. Number and "1998 N-5" on your check or money order.		Check box if address changed and make corrections above.			

See Instructions on back.

Form N-5

How to Use the Payment Voucher

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